AMERICAN INSTITUTES FOR RESEARCH

THE VERIFICATION PROCEDURES OF THE QUALITY ASSURANCE PROGRAM INSTITUTIONS

Executive Summary

Prepared by:
American Institutes for Research

for:
Federal Student Aid
U.S. Department of Education

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EXECUTIVE SUMMARY

This report examines the procedures used by the Quality Assurance (QA) Program institutions to select students for verification of accuracy in awarding Title IV funds during award year 2002-2003. The results are based on data submitted by 136 participating institutions (out of 144 QA participating institutions) during spring 2002. Schools provided data to Federal Student Aid's (FSA) operating partner, the American Institutes for Research (AIR). This is the first time that data about the actual verification practices of QA Program institutions have been compiled. In the past, data focused on documenting good stewardship of Title IV funds by program participants. This report describes how QA participants select aid applicants for verification. Because these institutions are still verifying applicants' data, this report does not examine the effectiveness of different practices employed by participating institutions.

The analyses presented in this report cover two key areas: (1) an examination of the institutional verification practices of the QA Program institutions, focusing on the Institutional Student Information Record (ISIR) fields used by institutions to select applicants for verification; and, (2) an examination of the capacity of the Quality Analysis Tool software to capture the various institutional verification procedures, describing the limitations reported by institutions and offering suggestions for the software to be used in award year 2003-2004.

SUMMARY OF KEY FINDINGS

In describing the verification practices of QA Program institutions, AIR examined the makeup of their verification profiles in terms of 22 key ISIR fields and an "other" category, focusing on two distinct levels of analysis: the verification profiles themselves and the practices used by the institutions as a whole.[1] These separate analyses were necessary because of variation in how institutions create verification profiles within the Quality Analysis Tool software. Because they have the option of using one or more queries to define a single verification profile,

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[1] The 22 ISIR fields used in the analyses are: Parents number of family members, Parents number in college, Parents filed tax return, Parents type of tax return, Parents adjusted gross income, Parents U.S. taxes paid, Parents worksheet A, Parents worksheet B, Parents worksheet C, Student's number of family members, Student's number in college, Student's filed tax return, Student's type of tax return, Student's adjusted gross income, Student's U.S. taxes paid, Student's worksheet A, Student's worksheet B, Student's worksheet C, Dependency Status, Expected Family Contribution, Marital Status (Parent or Student), Selected for CPS verification.

some institutions define all their verification procedures in a single profile, whereas others use many profiles—one for each logical condition.

➔   The results indicate that there is little commonality across the 974 profiles used by QA institutions in the fields used for verification. Of all 22 individual fields examined (excluding the "other" category), only one field, "dependency status," is used in more than 50 percent of verification profiles. Further, most institutions defined their verification profiles relatively narrowly. Approximately one-quarter (24 percent) of all verification profiles use only one field to flag applicants for verification, and almost half (46 percent) use no more than two fields. Overall, 93 percent of institutional profiles rely on five or fewer fields in their verification queries to flag applicants.

Not surprisingly, the percentages are higher when looking at counts at the institution level. Yet, the three most commonly used fields are identical to results at the profile level, namely, "dependency status" (59 percent), "parents' adjusted gross income" (56 percent), and "expected family contribution" (54 percent). Only two additional fields are used by at least 40 percent of institutions: "student adjusted gross income" and "parents' filed tax return."

The results also reflect substantial variation in the verification practices of Quality Assurance Program institutions. Slightly more than half of all QA Program institutions (52 percent) use six or fewer fields in their verification procedures, and one institution in eight (12.5 percent) uses only a single field in flagging applicants for verification. Most of the single field institutions are new to the Quality Assurance Program and are following federally prescribed verification during 2002–2003.

➔   QA Program institutions follow basically two strategies in their use of ISIR fields to select applicants for verification. The first strategy is to select some subset of students believed to be "at-risk" for error. The second method is to select students who have reported information in a given field that seems unlikely given information reported elsewhere. These two strategies are often combined, selecting applicants with "unlikely" combinations of information, but only for some subset of "at-risk" applicants.

➡️   Of the 136 institutions that provided information on their verification procedures, 22 also supplied information on the limitations they experienced with the Quality Analysis Tool software. The limitations described fall into one of 5 categories, presented here in order of the number of times they were reported, and described below: 1) sum or basic calculations, 2) field-to-field comparison, 3) missing field/s, 4) year-to-year comparison, and 5) other.

As part of their verification process, many institutions are interested in either summing two values, such as father's income and mother's income, or comparing the sum of values with a constant. A number of institutions are interested in comparing the value of one field with the value of another to implement their verification procedures. Several institutions indicated that they use fields other than the ones made available by the Quality Analysis Tool software in implementing their verification procedures. Other institutions expressed the need to compare a given field with the information from the same field a year ago. Finally, several institutions reported limitations that are unique to their situation or verification process and hence are not generalizable or applicable to other institutions.

SUMMARY OF RECOMMENDATIONS

➡️   There is a tremendous amount of variation in the way institutions use specific ISIR fields in carrying out their verification procedures. Therefore, rather than look at the QA Program for the one most effective practice, Federal Student Aid should consider ways to incorporate the two basic strategies of QA Program institutions into its modification of federal verification. Which "at-risk" populations warrant subjective selection for federal verification? How can models predicting the probability of over-awards be specified to incorporate the insight that the value in one ISIR field needs to be considered in light of information reported in other fields?

➡️   In terms of recommendations related to the software used, the analysis of reported limitations suggests several areas in which the Quality Analysis Tool software can be enhanced. First, the procedures to add user-defined information to the Quality Analysis Tool software can be further emphasized and will benefit from additional illustrations and training and tutorial materials.

Further, adding computational functionality to the Quality Analysis Tool Software would go a long way toward addressing many of the limitations experienced by participating

institutions. Institutions should be able to create new fields by applying basic mathematical formulas to existing ISIR fields (e.g., add, subtract). The new field-to-field functionality in the query interface was appreciated by participating institutions and prompted the second most common request: expanding this functionality to additional fields.

Thought should also be given to reducing the burden on institutions so that they do not have to reenter verification information into the next version of the Quality Analysis Tool software. Because institutions were entering verification information for the first time in spring 2002, this issue has not yet arisen. However, asking institutions to reenter these data every year seems problematic. The Tool will become much more user-friendly if it has the capability to automate the transfer of year-to-year queries and verification profile information.